(a) whether attention of the Government has been drawn to the news-item appeared in the daily Economic Times dated August 10, 1996 under the caption "Talwar urges banks to cut down N.P. Assets";

(b) if so, the facts thereof;

(c) the percentage of the non performing assets of the banks during the first year of Eighth Five Year Plan and the percentage thereof during 1995-96;

(d) the year in which the percentage of these assets remained highest during the Eighth Five Year Plan; and

(e) the measures being taken to cut down the NPAS in the near future?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b). Yes, Sir. The health of a bank depends, amongst other things or its level of non-performing assets (NPA) which should be at the lowest possible level. The provisional of NPA of all public sector banks as on 31.3.96 stood at 16.01% of their total advances as against 19.45% during the previous year (31.3.95). Banks are being continuously exhorted by RBI to bring down their level of NPAs through upgradation, recovery etc.

(c) Percentage of NPAs of all public sector banks as on 31.3.93 (i.e. at the end of first year of 8th Plan Period) had been 23.18% of their total advances and the same stands at 16.01% (provisional) as on 31.3.96.

(d) According to RBI the level of NPAs of all public sector banks which was at 24.78% of their total advances as on 31.3.94 has been the highest during the period from 1992-93 to 1995-96.

(e) The prudential norms prescribed by RBI have brought about a greater awareness amongst banks of credit risks and there have been conscious attempts on the part of banks to keep their NPAs at the minimum. The banks have evolved loan recovery policies and have set up Recovery Cells at Headquarters. Banks have also set up recovery targets for their branches. Recoveries are monitored at frequent intervals by bank functionaries right down from the Chairman and Managing Director. The set up of Debt Recovery Tribunals is also expected to help banks in recovery of certain disputed or defaulted dues.

The Companies Act, 1956

4526. SHRI BHAKTA CHARAN DAS: Will the Minister of FINANCE be pleased to state:

(a) Whether the Government are contemplating to amend the Companies Act, 1956;

(b) whether the Government have constituted any working group to prepare a complete draft of new companies Act;

(c) if so, the composition and terms of references of the said group; and

(d) the time by which the said group is likely to complete the draft?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The Government has decided that the Companies Act, 1956 needs to be re-written comprehensively.

(b) to (d). Yes, Sir. The Government has constituted a Working Group consisting of persons with knowledge of law, economics and company affairs to rewrite the Companies Act, 1956. The Working Group consists of the following:-

1. Dr. K.R. Chandratre
2. Dr. Omkar Goswami
3. Shri Rajendra S. Lodha
4. Shri D.S. Mehta
5. Shri S. Ramaiah
6. Shri M.K. Sharma
7. Shri Shardul S. Shroff
8. Shri B.B. Tandon.....Convenor

The Group has been asked to re-draft the Companies Act, 1956. The redrafted version is likely to be available for public debate by January 1, 1997.

Production of Janata Cloth

4527. SHRI SATYAJITSINH DULIPSINH GAEKWAD: Will the Minister of TEXTILES be pleased to state:

(a) the targets fixed for the production of Janata cloth in Gujarat during the last three years and to what extent these targets have been achieved;

(b) whether the production of Janata Cloth has declined in the State during the aforesaid period;

(c) if so, the reasons therefor; and

(d) the steps taken by the Government to increase the production of Janata Cloth in the State?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) The targets fixed for production of Janata Cloth in Gujarat State and achievement thereof during the last three years are as under:-